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7 UNITED STATES BANKRUPTCY COURT
8 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

9 In Re:

10 Derek Allen Watson and Megan Melissa
11 Watson,

12 Debtors.

Case No. 22-11270-MLB

Chapter 13

13 DECLARATION OF ROBERT A. BAILEY
14 IN SUPPORT OF MOTION FOR RELIEF
15 FROM AUTOMATIC STAY OR IN THE
16 ALTERNATIVE AN ORDER REQUIRING
ADEQUATE PROTECTION PAYMENTS

17 I, Robert A. Bailey, hereby declare as follows:

18 1. I am a partner at the law firm Lagerlof, LLP, am over the age of 18, and counsel
19 of record for Washington Federal ("WaFd") in this Chapter 13 bankruptcy. I am one of the
20 attorneys primarily responsible for representing WaFd in this bankruptcy and, as such, make
21 this declaration based upon my personal knowledge and the records and files maintained by
22 Lagerlof, LLP in the ordinary course of business.

23 2. On December 16, 2021, I spoke with the Watsons' counsel, Erica St. Louis via
24

25 {100047/002330/00634384-1 }

DECLARATION OF ROBERT A. BAILEY IN
SUPPORT OF MOTION FOR RELIEF FROM
AUTOMATIC STAY OR IN THE ALTERNATIVE
AN ORDER REQUIRING ADEQUATE
PROTECTION PAYMENTS -1

LAGERLOF LLP
701 PIKE STREET, SUITE 1560
SEATTLE, WA 98101
PHONE: 206-492-2300

1 telephone. During that call, Ms. St. Louis advised me that the Watsons did not live on the
2 property located at 17520 Marine Drive, Stanwood, WA 98292 (the "Property"). She
3 specifically said it was "uninhabitable" and indicated the foundation was cracked and the doors
4 did not close.

5 3. Counsel for Thomas and Sandra Chung, parties in separate litigation involving
6 the Watsons, provided my office a copy of the transcript for the deposition of Debtor Megan
7 Watson taken on January 3, 2020 in the action entitled *Chung v. Watson*, Snohomish County
8 Superior Court, Case No. 16-2-02410-4. A true and correct copy of a portion of that transcript
9 is attached hereto as **Exhibit 1**.

10 4. Attached hereto as **Exhibit 2** is a true and correct copy of the Notice of Default
11 sent to the Watsons dated January 12, 2022.

12 5. Attached hereto as **Exhibit 3** is a true and correct copy of the Notice of
13 Foreclosure sent to the Watsons dated March 3, 2022.

14 6. Attached hereto as **Exhibit 4** is a true and correct copy of the Notice of
15 Trustee's Sale sent to the Watsons dated March 3, 2022. This document was recorded in
16 Snohomish County under instrument number 202203170240 on March 17, 2022.

17 7. Attached hereto as **Exhibit 5** is a true and correct copy of the Notice of
18 Continuance of Trustee's Sale for the Property.

19 8. Attached hereto as **Exhibit 6** is a true and correct copy of emails between an
20 attorney of my office, Justin L. Jaena, and the office of Jason Wilson Aguilar, the Trustee for
21 this bankruptcy proceeding dated September 20, 2022. These emails are maintained by
22 Lagerlof, LLP's file system to which I have access. In these emails, Mr. Jaena inquired with
23 Mr. Aguilar's office as to whether any pre-confirmation payments have been made by the
24 Watsons in the above-captioned bankruptcy proceeding. Mr. Aguilar's office, through its
25 {100047/002330/00634384-1 }

DECLARATION OF ROBERT A. BAILEY IN
SUPPORT OF MOTION FOR RELIEF FROM
AUTOMATIC STAY OR IN THE ALTERNATIVE
AN ORDER REQUIRING ADEQUATE
PROTECTION PAYMENTS -2

LAGERLOF LLP
701 PIKE STREET, SUITE 1560
SEATTLE, WA 98101
PHONE: 206-492-2300

1 representative Noreen Smith, responded that no-pre-confirmation payments have been made.

2 I DECLARE UNDER THE PENALTY OF PERJURY FOR THE LAWS OF THE
3 UNITED STATES THAT THE FOREGOING IS TRUE AND CORRECT.

4 EXECUTED this 26th day of September 2022 at Pasadena, California.

5 *s/ Robert A. Bailey*

6 **Robert A. Bailey**

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25 {100047/002330/00634384-1 }

DECLARATION OF ROBERT A. BAILEY IN
SUPPORT OF MOTION FOR RELIEF FROM
AUTOMATIC STAY OR IN THE ALTERNATIVE
AN ORDER REQUIRING ADEQUATE
PROTECTION PAYMENTS -3

LAGERLOF LLP
701 PIKE STREET, SUITE 1560
SEATTLE, WA 98101
PHONE: 206-492-2300

EXHIBIT 1

IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF SNOHOMISH

THOMAS CHUNG and SANDRA)	
CHUNG, HUGH'S SURVIVOR'S)	
TRUST,)	
)	
Plaintiffs,)	No. 16-2-02410-4
)	
vs.)	
)	
DEREK WATSON and MEGAN)	
WATSON, TERJE I. LEIREN)	
and INGUNN B. LEIREN,)	
)	
Defendants.)	

DEPOSITION UPON ORAL EXAMINATION OF

MEGAN WATSON

Taken at 1812 Hewitt Avenue

Everett, Washington

DATE TAKEN: January 3, 2020

REPORTED BY: Sharon L. Westling, CCR # 2301

1 experts or --

2 Q. Disregarding the experts, have you personally
3 taken any pictures of what you believe is -- this is a
4 picture of how the hillside is compromised?

5 A. I'll have to look. I can get that for you.
6 Can I just have a piece of paper so I can make --
7 thank you.

8 Q. Mine is lined.

9 A. Thank you. Okay. So of the bluff. Okay.

10 Q. Where are you residing presently?

11 A. Why would you be asking that? Can I ask
12 that? What does that have to do with this litigation?

13 Q. So I can conduct an investigation of what's
14 going on presently at your property and why you're not
15 there.

16 A. Okay. Well, I don't feel safe telling you
17 where I'm residing, because I have been followed, like
18 high-speed chase.

19 Q. Are you alleging that my client or someone
20 associated with my client is doing the following?

21 A. Potentially. I can't say for sure, but I
22 don't --

23 Q. Okay.

24 A. I don't feel safe giving you -- and I don't
25 even know the address, to be honest, of where I'm

1 residing.

2 MR. RHODES: Just to put on the record,
3 you can contact the Watsons through their attorneys.
4 There's two of them here.

5 MR. GOSS: Yeah, I mean, and I will be
6 requesting copy of the lease, so.

7 **A.** Can we get -- can we get a protection order?

8 MR. RHODES: We can discuss it off the
9 record.

10 THE WITNESS: Okay.

11 **Q.** Why are you not living at your house on lot
12 40 on Marine View Drive?

13 **A.** You would have to ask my counsel. I don't
14 feel comfortable with disclosing that, talking about
15 it. I think we all kind of -- it's a combination of
16 things. And you can ask my insurance company if you
17 would like.

18 **Q.** I'm asking you. You're the one that's not
19 living there.

20 **A.** Yeah. I guess you would have to ask them why
21 I'm not, why they put me somewhere else.

22 **Q.** What -- generally, how much did you spend to
23 build your house?

24 **A.** I have no idea. That's all Derek.

25 **Q.** No clue?

1 **A.** I told you to talk to my insurance company if
2 you wanted to know why.

3 **Q.** I'm asking you Ms. Watson.

4 **A.** And I'm not --

5 **Q.** If you don't answer, we're just going to have
6 this deposition again next week because the judge is
7 going to tell you to answer. I'm pretty confident of
8 that. And you can ask your attorneys.

9 **A.** Like I said, you have to talk to my insurance
10 company to know exactly why we're not living there,
11 and that's the honest truth.

12 **Q.** Okay. So just so we're clear --

13 **A.** That is my testimony.

14 **Q.** So we're clear for the record, you don't know
15 why you have moved your family out of your house --

16 **A.** But that's --

17 **Q.** -- at lot 40? Is that -- I just want to be
18 clear. That's your testimony?

19 **A.** Lot 40 -- my insurance company knows why. I
20 don't know all the details. I don't. Did you ask
21 Derek this question? Because he may know more.

22 **Q.** I did.

23 **A.** He may -- he may know more.

24 **Q.** I'm asking you. And so let me see if I
25 understand. Are you telling me that your insurance

1 company has asked you to move out of your house?

2 A. Yes.

3 Q. What insurance company is that?

4 A. Liberty Mutual.

5 Q. And when did that happen?

6 A. About a month ago. I'd have to look back and
7 see what exact date. Probably in November-ish, month
8 and a half ago.

9 Q. And did that have any connection to why the
10 power was shut off at your house?

11 A. A little, probably. You mean less than
12 24 hours?

13 MR. RHODES: I'm going to object to any
14 questions about communications with her insurer as
15 protected by Heidebrink, just in case you go there.

16 Q. Do you have any reason to believe that your
17 home is unsafe?

18 A. Yes.

19 Q. Why?

20 A. There's many reasons.

21 Q. And could you list them for me, please?

22 A. I don't know all of them. Like I said, you
23 would have to talk to Derek and my insurance company.
24 But for one, I know that your clients contributed to a
25 majority of it.

EXHIBIT 2

constitute an appearance for jurisdictional purposes in any pending litigation nor a waiver of your rights.

NOTICE: YOU ARE HEREBY NOTIFIED THAT THE AMOUNT OF YOUR INDEBTEDNESS TO THE BENEFICIARY, THEIR SUCCESSORS IN INTEREST AND/OR ASSIGNEES AS RECITED BELOW, AS OF THE DATE OF THIS NOTICE/LETTER, IS \$747,724.21. INTEREST (PRESENTLY AT THE RATE OF 4.00000% PER ANNUM), FEES AND COSTS WILL CONTINUE TO ACCRUE AFTER THE DATE OF THIS NOTICE/LETTER. UNLESS YOU DISPUTE THE VALIDITY OF THE DEBT, OR ANY PORTION THEREOF WITHIN 30 DAYS AFTER RECEIVING NOTICE OF THIS DOCUMENT, THIS OFFICE WILL ASSUME THE DEBT TO BE VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN THE 30-DAY PERIOD THAT THE DEBT OR ANY PORTION THEREOF IS DISPUTED, VERIFICATION OF THE DEBT WILL BE OBTAINED AND MAILED TO YOU. UPON WRITTEN REQUEST WITHIN 30 DAYS, THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR, WILL BE PROVIDED.

NOTICE: WE ARE A DEBT COLLECTOR. THIS COMMUNICATION IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR PURPOSES OF DEBT COLLECTION.

Derek Watson and Megan Watson, 48022100

NOTICE OF DEFAULT

Pursuant to the Revised Code of Washington, Chapter 61.24 et seq.

1. Default:

You are hereby notified that the beneficiary has declared a default of the obligation secured by a deed of trust given by Derek Watson and Megan Watson, Grantors, to Washington Federal, N.A. as beneficiary, dated October 9, 2015, and recorded October 21, 2015 under Recorder's/Auditor's Number 201510210463, in the Official Records of Snohomish County, Washington, encumbering the following described real property in said County:

LOT 40, BLOCK 50, C.D. HILLMAN'S BIRMINGHAM WATER FRONT ADDITION TO THE CITY OF EVERETT, DIVISION NO. 1, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 8 OF PLATS, PAGES 21, 22, AND 23, RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

TOGETHER WITH SECOND CLASS TIDELANDS IN FRONT OF AND ABUTTING UPON AND ADJACENT THERETO.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Tax Parcel ID No. 00394405004001

TO BRING YOUR LOAN CURRENT OR PAY IT OFF YOU MUST CONTACT IDEA LAW GROUP, LLC AT (877) 353-2146 OR AT decoats@idealawgroupllc.com. DO NOT SEND MONEY WITHOUT CALLING AND OBTAINING AN EXACT AMOUNT.

2. Statement of Default and Itemized Arrearages:

The beneficiary alleges default of the deed of trust for the following reasons:

a. Failure to pay the following amounts, now in arrears:

Delinquent Monthly Payments Due:

From 07/01/2019 through 08/01/2021 @ \$111,871.76

\$4,302.76 per month:

From 09/01/2021 through 02/01/2022 @ \$27,133.38

\$4,522.23 per month:

Total: \$139,005.14

Total Late Charges Due: \$4,572.79

AP Legal Charges: \$2,348.35

Loan Return Check Charges: \$80.00

Subtotal: \$146,006.28

Less Suspense Balance:

TOTAL DEFAULT: \$146,006.28

b. **TO REINSTATE OR PAYOFF YOU MUST CONTACT THE TRUSTEE.**

Default other than failure to make monthly payments:

In the event there are delinquent taxes and assessments owing against the property at the time of reinstatement, or a senior lien is delinquent, those delinquent taxes and assessments and lien must also be cured as a condition of reinstatement.

3. Other Charges, Costs and Fees:

In addition to the amounts specified above, you are or may be obliged to pay the following charges, costs and fees to reinstate the Deed of Trust if reinstatement is made before recording of the Notice of Trustee's Sale:

Cost of Title Report for Foreclosure (Incurred): \$1,808.35

Posting of Notice of Default (Estimated): \$65.00

Copying (Estimated): \$15.00

Statutory Mailing (Estimated): \$70.00

Referral Fee (Incurred): \$540.00

Recording costs (Incurred): \$19.00

TOTAL CHARGES – COSTS AND FEES \$2,517.35

ESTIMATED:

TO BRING YOUR LOAN CURRENT OR PAY IT OFF YOU MUST CONTACT IDEA LAW GROUP, LLC AT (877) 353-2146 OR AT dcoats@idealawgroupllc.com. DO NOT SEND MONEY WITHOUT CALLING AND OBTAINING AN EXACT AMOUNT.

4. Reinstatement:

a. The total amount necessary to reinstate your Note and Deed of Trust before the recording of the Notice of Trustee's Sale is the sum of Paragraphs 2 and 3 above.

PLUS the amount of any monthly payments and late charges which but for the acceleration, would fall due after the date of the Notice of Default.

PLUS any of the additional costs or fees which may be incurred subsequent to the date of the Notice of Default.

Payoff monies, in the form of **cash, or cashier's check or certified checks** from federally or state chartered banks, must be tendered to:

IDEA Law Group, LLC
2001 Western Avenue, Suite 400
Seattle, WA 98121
(877) 353-2146
dcoats@idealawgroupllc.com

5. Consequences of Default:

a. Failure to cure said alleged default within thirty (30) days of the mailing of this notice, or if personally served, within thirty (30) days of the date of personal service hereof, may lead to recordation, transmittal and publication of a Notice of Trustee's Sale, and the property described in Paragraph 1 above may be sold at a public auction at a date no less than 150 days in the future.

b. The effect of the recordation, transmittal and publication of a Notice of Trustee's Sale will be to (i) increase the costs and fees; and (ii) publicize the default and advertise the property described herein for sale.

c. The effect of the sale of the grantor(s)' property by the Trustee will be to deprive the grantor(s) of all their interest in the property described in Paragraph 1 above.

6. Recourse to Courts:

The borrower, grantor(s), and any guarantor has recourse to the courts pursuant to RCW 61.24.130 to contest the alleged default on any proper ground.

NOTICE TO ALL PERSONS AND PARTIES WHO ARE GUARANTORS OF THE OBLIGATIONS SECURED BY THIS DEED OF TRUST: (1) The Guarantor may be liable for a deficiency judgment to the extent the sale price obtained at the Trustee's Sale is less than the debt secured by the Deed of Trust; (2) The Guarantor has the same rights to reinstate the debt,

cure the default, or repay the debt as is given to the grantor in order to avoid the trustee's sale; (3) The Guarantor will have no right to redeem the property after the Trustee's Sale; (4) Subject to such longer periods as are provided in the Washington Deed of Trust Act, Chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the Trustee's Sale, or the last Trustee's Sale under any deed of trust granted to secure the same debt; and (5) In any action for a deficiency, the Guarantor will have the right to establish the fair value of the property as of the date of the Trustee's Sale, less prior liens and encumbrances, and to limit its liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the Trustee's Sale, plus interest and costs.

7. Declarations Re: Beneficiary and Foreclosure Loss Mitigation:

☒ Attached is a true and correct copy of the Beneficiary Declaration; and

☒ Attached is a true and correct copy of the Declaration Re: Loss Mitigation, duly executed by the Beneficiary or authorized agent of the Beneficiary; or

☐ No Declaration Re: Loss Mitigation is attached to this Notice because:

☐ Property is vacant

☐ Property is non-owner occupied

☐ Property secures a commercial loan (loan not made primarily for personal, family or household purposes), or secures the obligation of a grantor who is not the borrower or a guarantor, or secures a purchaser's obligation under a seller-financed note.

8. The name and address of the holder of the note or other obligation secured by the above deed of trust are as follows:

a. The name and address of the holder of the note or other obligation secured by the above deed of trust are as follows:

Name: Washington Federal Bank NA

Address: 425 Pike Street
Seattle, WA 98101

b. The name, address and telephone number of the party acting as a servicer of the obligation secured by the above deed of trust are as follows:

Name: Washington Federal Bank NA

Address: 425 Pike Street
Seattle, WA 98101

Phone: 206-626-8562

DATED: January 12, 2022.

IDEA LAW GROUP, LLC
Successor Trustee



David Coats
IDEA Law Group, LLC
2001 Western Ave., Suite 400
Seattle, WA 98121
(877) 353-2146
dcoats@idealawgroupllc.com

Derek Watson and Megan Watson, 48022100

This Notice of Default was mailed on January 17, 2022.

EXHIBIT 3

NOTICE OF FORECLOSURE
PURSUANT TO THE REVISED CODE OF WASHINGTON
CHAPTER 61.24, RCW

The attached Notice of Trustee's Sale is a consequence of default(s) in the obligation to Washington Federal Bank, the Beneficiary of your Deed of Trust. Unless the default(s) is/are cured, **your property will be sold at auction on July 22, 2022.**

To cure the default(s), you must bring the payments current, cure any other defaults, and pay accrued late charges and other costs, advances, and attorneys' fees as set forth below by July 11, 2022 (11 days before the sale date). To date, these arrears and costs are as follows:

	Currently due to reinstate on 03/03/2022	Estimated Amount that will be due to reinstate on July 11, 2022
Delinquent Monthly Payments (7/1/2019 to 8/1/2021 @ \$4,302.76; 9/1/2021 to 4/1/2022 @ \$4,522.23):	\$143,527.37	\$161,616.29
Late Fees:	\$5,025.01	\$5,251.12
Loan Return Check Charges:	\$80.00	\$80.00
<u>Sub-total:</u>	<u>\$148,632.41</u>	<u>\$166,947.41</u>
Beneficiary's Agent Fee (incurred):	\$540.00	
Beneficiary's Agent Fee (estimated):		\$1,170.00
Trustee's Expenses (Itemization):		
Title Report (incurred):	\$1,808.35	\$1,808.35
Date Down (estimated):		\$40.00
Service/Posting Notices:		
Notice of Default (incurred):	\$65.00	\$65.00
Notice of Trustee's Sale (Estimated):	\$95.00	\$95.00
Statutory Mailing – Notice of Default (incurred):	\$66.64	\$66.64
Statutory Mailing – Notice of Trustee's Sale (Estimated):	\$120.00	\$120.00
Publication of the Notice of Sale (Estimated):		\$1,500.00
Recording Fees:		
Recording of Notice of Trustee's Sale (Estimated):	\$210.00	\$210.00
Recording of Discontinuance of Trustee's Sale (Estimated):		\$210.00
Other Charges:		
Subtotal:	<u>\$151,537.37</u>	<u>\$172,232.40</u>
<i>Less Suspense Balance, if any:</i>		
<i>Less Escrow Balance, if any:</i>		
<i>Less Misc. Subtraction, if any:</i>		
Total Charges - Costs and Fees:	<u>\$151,537.37</u>	<u>\$172,232.40</u>

To pay off the entire obligation secured by your Deed of Trust as of April 1, 2022, you must pay a total of \$640,234.76 in principal, \$72,632.15 in interest, plus other costs and advances estimated to date in the amount of \$40,738.16. From and after the date of this notice you must submit a written request to the Trustee to obtain the total amount to pay off the entire obligation secured by your Deed of Trust as of the payoff date.

As to the defaults, which do not involve payment of money to the Beneficiary of your Deed of Trust, you must cure each such default. Listed below are the defaults, which do not involve payment of money to the Beneficiary of your Deed of Trust. Opposite each such listed default is a brief description of the action necessary to cure the default and a description of the documentation necessary to show that the default has been cured.

Default	Description of Action Required to Cure and Documentation Necessary to Show Cure
Pending action in Shohomish County Superior Court (Thomas Chung and Sandra Chung and the Hughes Survivor's Trust v. Derek Watson and Megan Watson and Terje Leiren and Ingunn Leiren, cause number 16-2-02410-4)	Proof of Payoff
Lien held by Warm Beach Water Association, recorded December 3, 2019, instrument number 201812030186	Proff of Payoff

Evidence/Proof must be provided that the delinquency has been brought current.

You may pay off your Deed of Trust and the obligation secured thereby at any time prior to the sale date of July 22, 2022, or before sale, by paying the amount as set forth or estimated above. In addition, because some of the charges can only be estimated at this time, and because the amount necessary to pay off your loan may include presently unknown expenditures required to preserve the property or to comply with State or local law, it will be necessary for you to contact the Trustee before the time you tender payoff so that you may be advised of the exact amount you will be required to pay. Tender of payment in the form of cash or cashier's check or certified funds from Federally or State chartered banks, or performance, must be made to:

IDEA Law Group, LLC
2001 Western Ave., Suite 400
Seattle, WA 98121
Telephone: (877) 353-2146

You may contest this default by initiating court action in the Superior Court of the county in which the sale is to be held. In such action, you may raise any legitimate defenses you have to this default. A copy of your Deed of Trust and documents evidencing the obligation secured thereby are enclosed. You may wish to consult a lawyer. Legal action on your part may prevent or restrain this sale, but only if you persuade the court of the merits of your defense. You may contact the Department of Financial Institutions (1-877-894-4663) or the statewide civil legal aid hotline for possible assistance or referrals. If you do not pay off the secured obligation and your Deed of Trust in the manner set forth above, or if you do not succeed in restraining the sale by court action, your property will be sold to satisfy the

obligations secured by your Deed of Trust. The effect of such sale will be to deprive you and all those who hold by, through or under you of all interest in the property.

The court may grant a restraining order or injunction to restrain a Trustee's Sale pursuant to RCW 61.24.130 upon five (5) days' notice to the Trustee of the time, when, place, where and the judge before whom the application for the restraining order or injunction is to be made. This notice shall include copies of all pleadings and related documents to be given to the judge. Notice and other process may be served on the Trustee at:

IDEA Law Group, LLC
2001 Western Ave., Suite 400
Seattle, WA 98121
(877) 353-2146

If you do not payoff the secured obligation and your Deed of Trust in the manner set forth above, or if you do not succeed in restraining the sale by court action, your property will be sold. The effect of such sale will be to deprive you and all those who hold by, through or under you of all interest in the property.

NOTICE TO ALL PERSONS AND PARTIES WHO ARE GUARANTORS OF THE OBLIGATIONS SECURED BY THIS DEED OF TRUST: (1) The Guarantor may be liable for a deficiency judgment to the extent the sale price obtained at the Trustee's Sale is less than the debt secured by the Deed of Trust; (2) The Guarantor has the same rights to reinstate the debt, cure the default, or repay the debt as is given to the grantor in order to avoid the trustee's sale; (3) The Guarantor will have no right to redeem the property after the Trustee's Sale; (4) Subject to such longer periods as are provided in the Washington Deed of Trust Act, Chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the Trustee's Sale, or the last Trustee's Sale under any deed of trust granted to secure the same debt; and (5) In any action for a deficiency, the Guarantor will have the right to establish the fair value of the property as of the date of the Trustee's Sale, less prior liens and encumbrances, and to limit its liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the Trustee's Sale, plus interest and costs.

For Sales questions and concerns:

Email Address: dcoats@idealawgroupllc.com

DATED: March 3, 2022

IDEA Law Group, LLC, Successor Trustee

By: David Coats
David Coats, WSBA #47375
2001 Western Avenue Suite 400
Seattle, WA 98121
877-353-2146
dcoats@idealawgroupllc.com

EXHIBIT 4



202203170240

NOTICE OF TRUSTEES SALE Rec: \$207.50
3/17/2022 12:06 PM 5 PG
SNOHOMISH COUNTY, WA

AFTER RECORDING RETURN TO:
IDEA Law Group, LLC
2001 Western Ave., Suite 400
Seattle, WA 98121

Reference: Derek Watson and Megan Watson, 48022100

Reference No(s) of Documents / Deed of Trust Assigned or Released: 201510210463

Document Title: NOTICE OF TRUSTEE'S SALE

Grantor: Derek Watson and Megan Watson

Current Beneficiary of the Deed of Trust: Washington Federal Bank

Current Trustee of the Deed of Trust: IDEA Law Group, LLC

Current Loan Mortgage Servicer of the Deed of Trust: Washington Federal Bank

Grantee: Washington Federal Bank

Abbreviated Legal Description as Follows: LOT 40, BLOCK 50, C.D. HILLMAN'S BIRMINGHAM
WATER FRONT ADD. TO THE CITY OF EVERETT, DIV. NO. 1, VOL. 8, P. 21-23, SNOHOMISH
COUNTY

Assessor's Property Tax Parcel/Account No(s): 00394405004001

**WE ARE A DEBT COLLECTOR. THIS COMMUNICATION IS AN ATTEMPT TO COLLECT
A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

NOTICE OF TRUSTEE'S SALE

I

NOTICE IS HEREBY GIVEN that on July 22, 2022 at 10:00 A.M., located outside the north plaza entrance to the Snohomish County Courthouse, 3000 Rockefeller Ave, Everett, WA, Snohomish County, State of Washington, the undersigned will sell at public auction to the highest bidder, payable at the time of sale, the following described real property, situated in Snohomish County, State of Washington, to-wit;

LOT 40, BLOCK 50, C.D. HILLMAN'S BIRMINGHAM WATER FRONT ADDITION TO THE CITY OF EVERETT, DIVISION NO. 1, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 8 OF PLATS, PAGES 21, 22, AND 23, RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

TOGETHER WITH SECOND CLASS TIDELANDS IN FRONT OF AND ABUTTING UPON AND ADJACENT THERETO.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

commonly known as 17520 Marine Dr., Stanwood, WA 98292, which is subject to that certain Deed of Trust dated October 9, 2015, recorded October 21, 2015, under Recorder's/Auditor's File Number 201510210463 records of Snohomish County, Washington, from Derek Watson and Megan Watson, as Grantors, to Washington Services, Inc., as Trustee, to secure an obligation in favor of Washington

NOTICE OF TRUSTEE'S SALE - 1
Derek Watson and Megan Watson, 48022100
WA-NTS-6

Federal, N.A. as Beneficiary. The sale will be made without any warranty concerning the title to, or the condition of the property.

II

No action commenced by the Beneficiary of the Deed of Trust is now pending to seek satisfaction of the obligation in any Court by reason of the Grantor's default on the obligation secured by the Deed of Trust.

III

The default(s) for which this foreclosure is made is/are as follows:

i) Failure to pay the following amounts, now in arrears:

Delinquent Monthly Payments from	\$111,871.76
07/01/2019 to 08/01/2021 @ \$4,302.76:	
Delinquent Monthly Payments from	\$36,177.84
09/01/2021 to 04/01/2022 @ \$4,522.23:	
Late Fees:	\$5,025.01
Loan Return Check Charges:	\$80.00
Paid Attorney Fees and Costs:	\$2,498.99
Subtotal:	<u>\$155,653.60</u>
<i>Less Suspense Balance:</i>	
<i>Escrow Balance:</i>	
TOTAL DEFAULT:	<u>\$155,653.60</u>

IV

The sum owing on the obligation secured by the Deed of Trust is \$640,234.76, together with interest from July 1, 2019 as provided in the note or other instrument, and such other costs and fees as are due under the note or other instrument secured, and as are provided by statute.

V

The above-described real property will be sold to satisfy the expense of sale and the obligation secured by the Deed of Trust as provided by statute. The sale will be made without warranty, express or implied, regarding title, possession, or encumbrances on July 22, 2022. The default(s) referred to in paragraph III must be cured by July 11, 2022 (11 days before the sale date) to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time on or before July 11, 2022 (11 days before the sale date), the default(s) as set forth in paragraph III is/are cured and the Trustee's fees and costs are paid. The sale may be terminated any time after July 11, 2022 (11 days before the sale date), and before the sale by the Borrower, Grantor, any Guarantor, or the holder of any recorded junior lien or encumbrance paying the entire principal and interest secured by the Deed of Trust, plus costs, fees, and advances, if any, made pursuant to the terms of the obligation and/or Deed of trust, and curing all other defaults. Payment must be in cash or with cashier's or certified checks from a State or federally chartered bank.

VI

A written notice of default was transmitted by the beneficiary or Trustee to the Borrower and Grantor at the following address(es):

NOTICE OF TRUSTEE'S SALE - 2
Derek Watson and Megan Watson, 48022100
WA-NTS-6

See 'Mailing List' attached hereto and incorporated herein by this reference.

by both first-class and certified mail on January 13, 2022, proof of which is in the possession of the Trustee; and the Borrower and Grantor were personally served on January 15 2022, with said written notice of default or the written notice of default was posted in a conspicuous place on the real property described in paragraph I above, and the Trustee has possession of proof of such service or posting.

VII

The Trustee whose name and address are set forth will provide in writing to anyone requesting it, a statement of all costs and fees due at any time prior to the sale.

VIII

The effect of the sale will be to deprive the Grantor and all those who hold by, through or under the Grantor of all their interest in the above-described property.

IX

Anyone having objections to this sale on any grounds whatsoever will be afforded an opportunity to be heard as to those objection if they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130. Failure to bring such a lawsuit may result in a waiver of any proper grounds for invalidating the Trustee's sale.

X

NOTICE TO OCCUPANTS OR TENANTS

The purchaser at the Trustee's Sale is entitled to possession of the property on the 20th day following the sale, as against the Grantor under the deed of trust (the owner) and anyone having an interest junior to the deed of trust, including occupants who are not tenants. After the 20th day following the sale, the purchaser has the right to evict occupants who are not tenants by summary proceedings under Chapter 59.12 RCW. For tenant-occupied property, the purchaser shall provide a tenant with written notice in accordance with RCW 61.24.060.

If the Trustee's Sale is set aside for any reason, the submitted bid will be forthwith returned without interest and the bidder will have no right to purchase the property. Recovery of the bid amount without interest constitutes the limit of the bidder's recourse against the Trustee and/or the Beneficiary.

XI

NOTICE TO ALL PERSONS AND PARTIES WHO ARE GUARANTORS OF THE OBLIGATIONS SECURED BY THIS DEED OF TRUST: (1) The Guarantor may be liable for a deficiency judgment to the extent the sale price obtained at the Trustee's Sale is less than the debt secured by the Deed of Trust; (2) The Guarantor has the same rights to reinstate the debt, cure the default, or repay the debt as is given to the grantor in order to avoid the trustee's sale; (3) The Guarantor will have no right to redeem the property after the Trustee's Sale; (4) Subject to such longer periods as are provided in the Washington Deed of Trust Act, Chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the Trustee's Sale, or the last Trustee's Sale under any deed of trust granted to secure the same debt; and (5) In any action for a deficiency, the Guarantor will have the right to establish the fair value of the property as of the date of the Trustee's Sale, less prior liens and encumbrances, and to limit its liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the Trustee's Sale, plus interest and costs.

XII

NOTICE

THIS NOTICE IS THE FINAL STEP BEFORE THE FORECLOSURE SALE OF YOUR HOME.

You have only 20 DAYS from the recording date on this notice to pursue mediation.

DO NOT DELAY. CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW to assess your situation and refer you to mediation if you are eligible and it may help you save your home. See below for safe sources of help.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission:

Telephone: (1-877-894-4663)

Website: <http://www.wshfc.org/buyers/counseling.htm>

The United States Department of Housing and Urban Development:

Telephone: (1-800-569-4287)

Website:

<http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=WA&filterSvc=dfc>

The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys:

Telephone: (1-800-606-4819)

Website: <http://nwjustice.org/what-clear>

For Sales questions and concerns:

Email Address: dcoats@idealawgroupllc.com

DATED: March 3, 2022

IDEA Law Group, LLC
Successor Trustee

By: David Coats
David Coats, WSBA #47375
2001 Western Avenue Suite 400
Seattle, WA 98121
877-353-2146
dcoats@idealawgroupllc.com

SEE ATTACHED
NOTARIZED DOCUMENT

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino

On March 3, 2022 before me, Aubreena Heusel, Notary Public
(insert name and title of the officer)

personally appeared David Coats,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

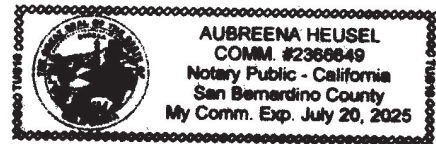


EXHIBIT 5

NOTICE OF CONTINUANCE OF TRUSTEE'S SALE

Pursuant to RCW 61.24.040(10), you are hereby notified that the undersigned Trustee hereby continues the below trustee's sale, to August 5, 2022 at 9:00 a.m., and will on said date and time sell at public auction to the highest and best bidder, payable at the time of the sale, the following described real property, situated in Snohomish County, State of Washington.

LOT 40, BLOCK 50, C.D. HILLMAN'S BIRMINGHAM WATER FRONT ADDITION TO THE CITY OF EVERETT, DIVISION NO. 1, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 8 OF PLATS, PAGES 21, 22, AND 23, RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

TOGETHER WITH SECOND CLASS TIDELANDS IN FRONT OF AND ABUTTING UPON AND ADJACENT THERETO.

SITUATED IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

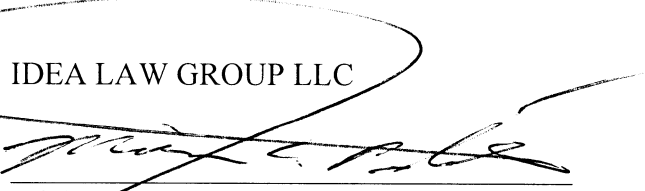
COMMONLY KNOWN AS 17520 Marine Drive, Stanwood, WA 98292,

which is subject to that certain Deed of Trust recorded under Auditor's Number 201510210463, in the Official Records of Snohomish County.

Said Trustee's Sale was originally scheduled for July 22, 2022 pursuant to the Notice of Trustee's Sale recorded in the Official Records Snohomish County, Washington, under Recorder's/Auditor's No. 202203170240.

DATED this 19 day of July, 2022.

IDEA LAW GROUP LLC


Michael A. Padilla, WSBA No. 26284
Successor Trustee

2001 Western Avenue Suite 400
Seattle, Washington 98121

Telephone: (877) 353-2146
Email: rvannarath@idealawgroupllc.com

THIS IS AN ATTEMPT TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

EXHIBIT 6

From: Information <information@seattlech13.com>
Sent: Tuesday, September 20, 2022 12:15 PM
To: Justin L. Jaena
Cc: Ed Werner
Subject: RE: In re Derek Allen Watson and Megan Melissa Watson, Case No. 22-11270 (Chapter 13 Bankruptcy),

Good morning:

No pre-confirmation payments have been made on this case.

Sincerely,

Noreen Smith

From: Justin L. Jaena <jjaena@lagerlof.com>
Sent: Tuesday, September 20, 2022 11:20 AM
To: Information <information@seattlech13.com>
Subject: In re Derek Allen Watson and Megan Melissa Watson, Case No. 22-11270 (Chapter 13 Bankruptcy),

You don't often get email from jjaena@lagerlof.com. [Learn why this is important](#)

Office of Jason Wilson Aguilar,

My office is counsel for Creditor Washington Federal in the above-referenced bankruptcy. I am reaching out to inquire if the Debtors have made any pre-confirmation plan payments as of this date. Please let me know.

Best,

Justin Jaena
Associate Attorney

jjaena@lagerlof.com
206-492-2300
206-264-5913 (Direct)



701 Pike Street
Suite 1560
Seattle, WA 98101
www.lagerlof.com

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